

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 03-5

Introduced by: Council President Wagner at the request of the County Executive

Legislative Session Day No 03-03 Date: January 21, 2003

A BILL to authorize and empower Harford County, Maryland (the "County") to borrow, on its full faith and credit, and issue and sell its bond of other form of indebtedness therefore, in an amount not to exceed Four Hundred Thousand Dollars (\$400,000) principal amount, from the Maryland Energy Administration, pursuant to the provisions of the State Government Article, Sections 9-2101 through 9-2109 of the Annotated Code of Maryland, 1999 Replacement Volume, 2002 Supplement (the "Community Energy Loan Program ("CELP Act")), the proceeds thereof to be transferred to Harford Community College, a local jurisdiction within the meaning of CELP, and used by Harford Community College for the purchase and installation of certain energy efficient measures for lighting, HVAC, boiling water use, green roofs, a campus-wide energy audit, energy

By the Council, January 21, 2003

Introduced, read first time, ordered posted and public hearing scheduled

on: February 18, 2003

at: 7:40 p.m.

Due to inclement weather, public hearing was rescheduled on March 4, 2003 at 7:15 p.m.

By Order: Mary Kate Hurling, Acting Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on March 4, 2003, and concluded on March 4, 2003.

Mary Kate Hurling, Acting Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

**COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND**

BILL NO. 03-05

Introduced by: Council President Wagner at the request of the County Executive

Legislative Day No. 03-3 Date: January 21, 2003

conservation redesign and pre-engineering, and commissioning for additions and renovations to Joppa Hall (the "Project"), to be owned by Harford Community College which shall be used by Harford Community College as an energy conservation project, which is a portion of the project plan as described in Section 10-901(c) of the CELP Act, in accordance with Section 524 of the Charter of Harford County ("Charter") or as otherwise permitted by law; fixing the interest rate on the loan from the Administration to Harford County, Maryland; fixing the interest rate on the funds transferred from Harford County, Maryland to Harford Community College; providing for the security to the County for the transfer of funds to Harford Community College; determining the maturity of the loan; authorizing the County Executive of Harford County, Maryland by Executive

By the Council, _____

Introduced, read first time, ordered posted and public hearing scheduled

on: _____

at: _____

By Order: _____, Acting Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, _____, and concluded on _____.

_____, Acting Council Administrator

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TO EXISTING LAW. [BRACKETS]
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**COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND**

BILL NO. 03-05

Introduced by: Council President Wagner at the request of the County Executive

Legislative Day No. 03-3 Date: January 21, 2003

Order, to determine the manner by which the obligation of Harford Community College to Harford County, Maryland may be secured, and generally for such other matters as may be deemed appropriate, including, without limitation, the form of various documents as are necessary to implement the financing authorized herein, the manner of issuance and delivery of any evidences of indebtedness, the payment of all necessary expenses in connection therewith, the method by which such evidences of indebtedness shall be sold, maturity schedule, redemption provisions, authorizing the appointment of certain agents;

By the Council, _____

Introduced, read first time, ordered posted and public hearing scheduled

on: _____

at: _____

By Order: _____, Acting Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, _____, and concluded on _____, _____.

_____, Acting Council Administrator

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**COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND**

BILL NO. 03-05

Introduced by: Council President Wagner at the request of the County Executive

Legislative Day No. 03-3 Date: January 21, 2003

and otherwise generally relating to the issuance, sale, delivery and payment of any such evidences of indebtedness or financing obligations; providing that such indebtedness shall be issued upon the full faith and credit of Harford County, Maryland; providing for disbursement of the proceeds of the sale of evidences of indebtedness and for the levying of charges, assessments and all taxes necessary to provide payment of the principal of and interest thereon; providing that certain additional matters may be determined by executive order of the County Executive of the County.

By the Council, _____

Introduced, read first time, ordered posted and public hearing scheduled

on: _____

at: _____

By Order: _____, Acting Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, _____, and concluded on _____, _____.

_____, Acting Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED
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indicates matter stricken out of Bill by
amendment.

BILL NO. 03-5

1 WHEREAS, in accordance with the provisions of the CELP Act, the Maryland Energy
2 Administration is authorized to approve loans from CELP for certain eligible Energy
3 Conservation Projects costs as defined in Section 9-2101 of the CELP Act; and

4 WHEREAS, in accordance with Section 9-2105 of the CELP act, the County Executive
5 of Harford County, Maryland has filed an application for a loan pursuant to CELP; and

6 WHEREAS, the County Council of Harford County, Maryland has the authority to incur
7 debts on behalf of the County; and

8 WHEREAS, the County Council of Harford County, Maryland is hereby authorized to
9 enact an Ordinance adopted in accordance with Section 524 of the Charter of Harford County,
10 Maryland and other applicable provision of law providing for the issuance and sale of
11 indebtedness under this Ordinance; and levy annually *ad valorem* taxes upon the assessable
12 property within Harford County, Maryland sufficient, together with the other taxes and other
13 available funds, to provide for the payment of interest on and principal of any indebtedness so
14 issued; and

15 WHEREAS, the transfer of funds authorized to be made by Harford County, Maryland to
16 Harford Community College shall be payable primarily from funds received by the County from
17 Harford Community College; however, to the extent that the funds provided to the County to
18 repay the loan are insufficient in any year to pay the principal of or interest or other costs on the
19 indebtedness incurred, Harford County, Maryland may reduce the amount of contribution to
20 Harford Community College pursuant to the annual operating and/or capital budget of the
21 County, to pay the principal and interest or other costs on such indebtedness; and

22 WHEREAS, the loan to be made by the Administration to Harford County, Maryland
23 shall be upon the full faith and credit and subject to the unlimited taxing power of Harford
24 County, Maryland.

1 NOW, THEREFORE, in accordance with the provisions of the Charter and the Laws of
2 the State of Maryland:

3 SECTION 1. Be it enacted by the County Council of Harford County, Maryland that,
4 acting pursuant to the authority of the Charter, the CELP Act and the laws of the State of
5 Maryland, Harford County, Maryland (the "County") hereby authorizes and approves the
6 incurring of debt with the Maryland Energy Administration pursuant to the CELP Act to provide
7 funds to be transferred by Harford County, Maryland to Harford Community College to finance
8 a portion of the costs of the Project, including the acquisition and installation of certain necessary
9 and useful machinery and equipment on real property owned by Harford Community College.
10 the principal amount of indebtedness to be insured hereunder shall not exceed Four Hundred
11 Thousand Dollars (\$400,000.00).

12 SECTION 2. And be it enacted by the County Council of Harford County, Maryland that
13 the obligation of Harford Community College shall be to provide funds to Harford County,
14 Maryland in such amounts and at such times which are necessary to pay the principal, interest
15 and other amounts due by Harford County, Maryland to the Administration pursuant to the
16 CELP loan.

17 SECTION 3. And be it enacted by the County Council of Harford County, Maryland that
18 the County Executive of Harford County, Maryland shall determine by Executive Order the
19 principal amount of such indebtedness, not to exceed Four Hundred Thousand Dollars
20 (\$400,000), the form and substance of the obligation of Harford County, Maryland to the
21 Administration, the maturity schedule of such loan and other matters, including the rate of
22 interest, deemed necessary or appropriate in connection with the transfer of funds to Harford
23 Community College.

1 SECTION 4. And be it enacted by the County Council of Harford County, Maryland that
2 authority is hereby conferred respectively on the County Executive of the County, the Director of
3 Administration, the Treasurer, the County Attorney, the Acting Council Administrator of the
4 County Council of Harford County, Maryland, or any of them, and they are hereby directed to
5 take the following actions on behalf of the County:

6 (a) to execute, acknowledge, seal and deliver the documents reflecting the
7 loan by the Maryland Energy Administration to Harford County, Maryland; and documents
8 reflecting the use of the proceeds of such loan by Harford Community College, and payment to
9 Harford County, Maryland by Harford Community College of such amounts as may be necessary
10 to pay the principal, interest and other obligations of the CELP loan to the Administration, when
11 due, and

12 (b) to execute, acknowledge, seal and deliver such other and further
13 certificates, certifications, agreements, documents and instruments and take such other action as
14 they or any one or more of them may deem necessary or appropriate to consummate the
15 transactions contemplated by this Ordinance in accordance with the terms and provisions hereof
16 and of any administrative Resolution adopted by the County Council of Harford County,
17 Maryland or Executive Order adopted by the County Executive of Harford County, Maryland in
18 furtherance of this Ordinance.

19 SECTION 5. And be it enacted by the County Council of Harford County, Maryland that
20 the County Executive is hereby authorized and empowered for and on behalf of the County (a) to
21 cause the preparation, printing, execution and delivery of all documents in connection with the
22 loan from the Maryland Energy Administration to the County, including a Loan Agreement
23 substantially in the form attached hereto as Exhibit A, and the Promissory Note executed by the
24 County in favor of the Maryland Energy Administration, substantially in the form attached

1 hereto as Exhibit B, with such modifications, supplements or amendments thereto as may be in
2 the best interests of the County as determined by the County Executive and recommended by
3 counsel; and (b) to do all such things as may be necessary or desirable in the opinion of the
4 County Executive in connection therewith.

5 SECTION 6. And be it enacted by the County Council of Harford County, Maryland that
6 the indebtedness authorized to be incurred by the County and the transfer of the proceeds of such
7 loan to be made to Harford Community College shall each have a maturity as provided in the
8 form of Promissory Note attached hereto, the maturity to be determined by Executive Order of
9 the County Executive of Harford County, Maryland.

10 SECTION 7. And be it enacted by the County Council of Harford County, Maryland that
11 in the event Harford Community College does not provide sufficient funds to pay the principal,
12 interest and other amounts ("Loan Repayment Funds") when due, time being of the essence, to
13 enable Harford County, Maryland to repay the CELP loan to the Administration, the County
14 Executive is authorized to reduce the operating and capital budgets of Harford County, Maryland
15 for the benefit of Harford Community College by such amounts as are necessary to provide Loan
16 Repayments Funds to the County, as they become due ("Automatic Budget Reductions").

17 SECTION 8. And be it enacted by the County Council of Harford County, Maryland that
18 the proceeds of the loan from the Administration shall be paid to the Department of the Treasury
19 of Harford County, Maryland and deposited into a special account of the County. The proceeds
20 of the CELP loan from the Administration shall be expended only to finance the Project by a
21 transfer of funds to Harford Community College. In the event the funds derived from the CELP
22 loan shall exceed the amount needed to finance the project, the excess funds so borrowed and not
23 transferred to or for the benefit of Harford Community College shall be applied by the County in
24 payment of the next principal maturity of such indebtedness.

1 SECTION 9. And be it enacted by the County Council of Harford County, Maryland that
2 to the extent the payments and other funds received from Harford Community College or
3 through Automatic Budget Reductions are insufficient to pay the principal of, premium, if any,
4 and interest on the indebtedness represented by the CELP loan to Harford County, Maryland,
5 there is hereby levied and there shall hereafter be levied in each fiscal year that the indebtedness
6 is outstanding *ad valorem* taxes on real and tangible personal property and intangible property
7 subject to taxation by the County without limitation on rate or amount; and, in addition, upon
8 such other intangible property as may be subject to taxation by the County within limitations
9 prescribed by law, in an amount sufficient to together with funds available from other sources, to
10 pay the annual principal, premium, if any, and interest on the outstanding indebtedness maturing
11 during the next succeeding year; and the full faith and credit and unlimited taxing power of the
12 County are hereby irrevocably pledged to be punctual payment of the principal of and interest on
13 the indebtedness as and when it matures. By this Ordinance, the County agrees to take all action
14 that it may be legally authorized and empowered to take in order to enforce, in an one year in
15 which the indebtedness is outstanding, the guarantee of such indebtedness by the County.

16 SECTION 10. And be it enacted by the County Council of Harford County, Maryland,
17 that the CELP loan shall be made by private, negotiated sale with the Administration without the
18 necessity of public bid.

19 SECTION 11. And be it enacted by the County Council of Harford County, Maryland
20 that the County reasonably expects to reimburse all or a portion of the capital expenditures for
21 the Project with proceeds of indebtedness and this Ordinance shall be available for public
22 inspection at the offices of the County during regular business hours and in accordance with the
23 laws of the State of Maryland and the County, regarding access to public records.

1 SECTION 12. And be it enacted by the County Council of Harford County, Maryland
2 that the provisions of this Ordinance are severable, and if any provision, sentence, clause, section
3 or part thereof is held illegal, invalid or unconstitutional or inapplicable to any person or
4 circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect
5 or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance
6 or their application to other persons or circumstances. It is hereby declared to be the legislative
7 intent that this Ordinance would have been passed if such illegal, invalid or unconstitutional
8 provision, sentence, clause, section or part had not been included herein, as if the person or
9 circumstances to which this Ordinance or any part hereof are inapplicable had been specifically
10 exempted therefrom.

11 SECTION 13. And be it enacted by the County Council of Harford County, Maryland
12 that this Ordinance shall take effect sixty (60) calendar days from the date it becomes law.

EFFECTIVE: May 12, 2003

*The Acting Council Administrator of the Council does hereby certify
that fifteen (15) copies of this Bill are immediately available for
distribution to the public and the press.*



Acting Council Administrator

HARFORD COUNTY BILL NO. 03-5

Brief Title) Loan Authorization – Community Energy Loan Program

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

ENROLLED

Mary Kate Herbig
Acting Administrator

Robert S. Yager
Council President

Date March 4, 2003

Date March 4, 2003

BY THE COUNCIL

Read the third time.

Passed: LSD 03-6

Failed of Passage: _____

By Order

Mary Kate Herbig
Acting Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 6th day of March, 2003 at 4:00 p.m.



Mary Kate Herbig
Acting Council Administrator

BY THE EXECUTIVE

James H. Harkins
COUNTY EXECUTIVE
APPROVED: Date March 13, 2003

BY THE COUNCIL

This Bill (No. 03-5), having been approved by the Executive and returned to the Council, becomes law on March 13, 2003.

EFFECTIVE DATE: May 12, 2003

Mary Kate Herbig
Acting Council Administrator

EXHIBIT A

CELP Application Code: 11-02-51

COMMUNITY ENERGY LOAN PROGRAM

Loan Agreement

This Loan Agreement (the "Agreement") is made this ____ day of ___, 2002, by and between the Maryland Energy Administration, an independent agency of the State of Maryland (the "Administration"), and Harford County Government (the "Sponsor").

RECITALS

WHEREAS, the Sponsor has applied to the Administration through the Community Energy Loan Program ("CELP" or the "Program"), which is set forth in Article 41, Sections 10-901 through 10-909 of the Annotated Code of Maryland, as amended (the "Act"), for a loan in an amount not to exceed Four Hundred Thousand Dollars (\$400,000.00) (the "Loan"); and

WHEREAS, the Loan shall be used to pay for the activities described in Exhibit A of this Agreement (the "Project"); and

WHEREAS, the Administration has agreed to make the Loan to the Sponsor subject to the terms and conditions of the Act, the regulations promulgated thereunder, and this Agreement.

NOW THEREFORE, in consideration of the mutual promises hereinafter set forth and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions. For the purposes of this Agreement, each of the following terms, not defined in the recitals, shall have the meanings set forth below:

A. Application: means the Sponsor's application for a Loan dated November 1, 2002.

B. Closing: means the date of closing of the Loan.

C. Commitment Letter: means the Commitment Letter from the Administration to the Sponsor for the Loan.

D. Draw Schedule: means the anticipated schedule for disbursement of the Loan which is set forth in Exhibit D.

E. Legal Authorities: means any federal, state, or local governmental or quasi-

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 2 of 16

governmental body, office, department, agency, board, court or other instrumentality thereof exercising jurisdiction over the completion of the Project, the operation and occupancy of the Project, the Sponsor, the performance by the Sponsor of any act or obligation, or the observance by the Sponsor of any agreement, provision or condition of any nature whatsoever contained in the Loan Documents.

F. Legal Entity: means a corporation, association, general partnership, limited partnership, joint venture, or other form of legal organization.

G. Legal Requirements: means any law, ordinance, order, code, rule, regulation or standard of any Legal Authority.

H. Loan: means an amount not to exceed Four Hundred Thousand Dollars (\$400,000.00), from the Administration to the Sponsor under the Program.

I. Loan Documents: means the Agreement, the Promissory Note, and any other instrument or agreement evidencing or securing the Loan, which term includes any certificate or other document executed and delivered for the Loan.

J. Local Jurisdiction: means any of the twenty-three (23) counties of the State and the Mayor and City Council of the City of Baltimore and any duly authorized agency or instrumentality of a county, any municipal corporation in Maryland which is subject to the provisions of Article XI-E of the Maryland Constitution or any duly authorized agency or instrumentality of a municipality, and includes the Board of Education or Community College of a county or municipality.

K. Nonprofit Organization: means a corporation, foundation, school, hospital, or other legal entity, which is exempt from taxation pursuant to the applicable provisions of the Internal Revenue Code of 1986, as amended and whose activities are not primarily for religious or fraternal purposes.

L. Note: means the Sponsor's Promissory Note of even date herewith in the aggregate principal amount of the Loan and evidencing Sponsor's obligation to repay the Loan with interest at the rate herein provided.

M. Project: means the activities described in Exhibit A which will be paid for out of the proceeds of the Loan.

2. The Loan. Subject to the terms and provisions of this Agreement and the Note (herein after referred to collectively as the "Loan Documents"), the Administration agrees to make the Loan and the Sponsor agrees to accept the Loan.

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 3 of 16

3. Use of Proceeds.

A. Subject to the terms and conditions of the Loan Documents, the Sponsor shall use the proceeds of the Loan for the purposes described in Exhibit A. The CELP Manager may, however, approve changes to the draw schedule, attached hereto as Exhibit D, which do not exceed five percent (5%) of a draw, without the necessity of an amendment.

B. The use of the proceeds of the Loan shall be subject to any special conditions set forth on Exhibit B.

4. Representations and Warranties of the Sponsor. To induce the Administration to enter into this agreement, the Sponsor represents and warrants to the Administration as follows:

A. Due Organization. If the Sponsor is a corporation, it is duly organized, validly existing, and in good standing as a nonprofit corporation under the laws of the State of Maryland, is qualified to do business in the State of Maryland with full power, authority, legal right to consummate the transactions contemplated hereby; and if the Sponsor is a partnership or joint venture, or other legal entity, it is duly organized and validly existing as a nonprofit organization under the laws of the State of Maryland, and qualified to do business in the State of Maryland with full power and authority to consummate the transactions contemplated hereby.

B. Due Authorization. The Sponsor and any officer, director, public official or partner executing the Loan Documents has full power, authority, and legal right to enter into the Loan Documents, to borrow money as contemplated hereby, to pledge the Sponsor's assets and revenues, and to carry out the provisions of the Loan Documents according to the provisions thereof. Sponsor has duly authorized the execution and delivery of the Loan Documents, and no other action of the Sponsor is requisite to the execution and delivery of the Loan Documents. If the Sponsor is a Local Jurisdiction a resolution or ordinances as may be required by local law, has been introduced and adopted, passed or enacted as an official act of the Sponsor's governing body, authorizing consummation of the Loan, the transactions contemplated herein and execution of the Loan Documents. No consents or approvals are required to be obtained from any legal authorities for the execution and delivery of the Loan Documents.

C. Litigation. There are no actions, suits, or proceedings pending, or to the best of Sponsor's knowledge threatened against or affecting it or the Project, or involving the validity or enforceability of the Loan Documents, at law or in equity, or before or by any legal authority. To the best of Sponsor's knowledge, it is not in default under any order, writ, injunction, decree or demand of any court of any federal, State or local governmental or

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 4 of 16

quasi-governmental body, office, department, agency or board exercising jurisdiction over the Project.

D. No Breach. The consummation of the transactions hereby contemplated and performance of this Agreement and the other Loan Documents will not result in any breach or constitute a default under any mortgage, deed of trust, lease, bank loan, or credit agreement, charter, bylaws, partnership agreement, or other instrument to which the Sponsor is a party or by which it may be bound or affected.

E. Other Liens. Sponsor has made no contract or arrangement of any kind the performance of which by the other party thereto would give rise to a lien on the project.

F. No Default: The Sponsor is not in default under this Agreement, the other Loan Documents, or any other document related to financial assistance for the Project from other sources approved by the Department and no event has occurred and is continuing which with notice or the passage of time or either would constitute a default under any thereof.

G. Use of Proceeds. The proceeds of the Loan will be used only for costs approved by the Administration and will not be used to finance debt existing prior to Closing of the Loan.

H. Consents from other Parties: All consents to execution of the Loan Documents required from other parties providing financial assistance to the Project have been obtained. Furthermore, the transactions hereby contemplated and performance of this Agreement and the other Loan Documents will not result in any breach of, or constitute a default under any agreement, order, writ, injunction, decree or demand, or any court of any federal, state, or local government authority.

I. Environmental: Sponsor represents, warrants, and covenants, that to its knowledge, and except as otherwise previously disclosed to the Administration with regard to asbestos to be removed in connection with the Project, there are no hazardous materials located in the Project, that it will not cause or allow any hazardous materials to be placed in the Project, that it will comply with all requirements imposed by any governmental authority with respect to hazardous materials to be placed in the Project, and that to its knowledge the Project is in compliance with all applicable federal and State environmental laws and regulations.

5. Covenants of the Sponsor.

A. Sponsor shall comply with all applicable federal, state, and local laws, rules, regulations, guidelines, and orders of any governmental authority which apply to the Project.

B. Until the loan has been repaid in full, the Sponsor shall provide written notice

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 5 of 16

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to the Administration of any change in the structure or executive management of the Sponsor, and shall not permit any change which would render the Sponsor ineligible for financial assistance under the Program.

C. The Sponsor shall maintain insurance during the life of the Loan in accordance with the requirements set forth in Attachment A of the Commitment Letter (the "Term Sheet") and Exhibit C to this Agreement.

F
D. The Sponsor shall commence the activities described in Exhibit A no later than August 1, 2003, and shall complete the Project in accordance with the schedule set forth in Exhibit D. In any event, the commencement of repayment of the Loan shall begin in accordance with the repayment schedule established by the Term Sheet, which Repayment Schedule is incorporated herein as Exhibit F.

A
E. The Sponsor shall cause the Project to be completed in accordance with the Feasibility Study submitted as a part of the CELP application and any applicable restrictive covenants.

6. Loan Disbursements.

A. The Administration shall not be obligated to advance the Loan proceeds under this Agreement unless the following conditions shall have been satisfied:

B
(1) Each of the representations and warranties of Sponsor contained in paragraph 4 hereof and otherwise made by or on behalf of the Sponsor in writing for the Loan shall be true and correct on and as of the date of closing and as of the date of each subsequent advance;

(2) The Sponsor shall have satisfied each condition precedent to the closing of the Loan contained in the Commitment Letter;

D
(3) The Administration shall have received:

(a) evidence of required levels of insurance; and

(b) a certification from the applicable Legal Authority that the Project will conform to existing zoning laws and specified variances, if any.

B. Upon satisfaction of the conditions set forth in section 6A. above, the Administration shall advance the proceeds of the Loan pursuant to the draw schedule and upon submission by the Sponsor of written certification, acceptable to the Administration,

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 6 of 16

as verified by inspection of the Administration, of completion of the relevant phase of the work set forth in Exhibit A and that each of the representations and warranties of the Sponsor contained in paragraph 4 of this agreement shall continue to be true and correct on and as of the date of each such advance.

C. The Sponsor covenants that it will hold in trust each advance hereunder for application to the items for which such advance was requested and approved, and will apply for the funds to and in the amount of only those items set forth in each request for an advance.

7. Reporting and Monitoring.

A. Sponsor agrees to provide the Administration with such reports as it may reasonably require in order to verify the annual energy savings, or lack thereof, resulting from the Project.

B. Sponsor also agrees to provide the Administration with current information concerning utilities from which Sponsor purchases service, and utility account numbers, and to advise the Administration of changes in these accounts when they occur, and if they may affect the efficient gathering of billing information necessary to verify energy savings, or the lack thereof, resulting from the Project.

C. Sponsor agrees to permit the inspection of Sponsor's financial records at least annually to verify payment of utility costs and to compare annual utility costs with budgeted amounts to verify savings, if any, achieved by the Project.

8. Events of Default and Remedies.

A. The occurrence of any one (1) or more of the following events shall constitute a default under this Agreement:

Documents; (1) There is any use of loan proceeds other than as set forth in the Loan

(2) There is any breach of any covenant, agreement, provision, representation, warranty or certification in the Application or the Loan Documents and which the Sponsor does not rectify within any applicable grace period;

(3) If the Sponsor fails to commence the activities set forth in Exhibit A on the date set forth in section 5D.;

(4) If the Project is, in the judgement of the Administration, materially damaged or destroyed by fire or otherwise and the Administration has determined that it cannot be completed in accordance with the schedule set forth in Exhibit D and in

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 7 of 16

accordance with the other terms and conditions hereof;

(5) If, for any cause whatever, except for strikes, acts of God, or other causes beyond the reasonable control of the Sponsor, the construction of the Project is at any time discontinued for a period of thirty (30) days, or if the Project, as determined by the Administration, has not been completed or is not progressing in accordance with the Feasibility Study and CELP application.

(6) If the Sponsor does not complete the Project according to the Feasibility Study and CELP application and according to all Legal Requirements now existing or hereafter enacted, adopted or promulgated;

(7) If the Sponsor fails to pay any sums due and owing to a contractor, subcontractor, or supplier, upon his demand or upon the demand of the Administration for work done or in connection with the Project, which sums are not reimbursable to the Sponsor out of a current disbursement;

(8) If the Project, or any part thereof, including any equipment, building materials or any personalty relating thereto are subject to a lien or security agreement other than as permitted hereunder; or

(9) Failure of the Sponsor to pay the amounts due under the Note.

B. Except in the case of a monetary default under the Note, the Administration shall provide the Sponsor with notice of an event of default. The Sponsor shall have thirty (30) days from the date of the delivery of the notice to cure the default. If after the conclusion of the thirty (30) day period the Sponsor has not cured the default to the satisfaction of the Administration:

(1) Sponsor's authority to use any undisbursed proceeds of the Loan shall cease and the Sponsor shall have no right, title or interest in or to any of the Loan proceeds not disbursed;

(2) Any undisbursed proceeds of the Loan in the possession of the Administration may be applied as a prepayment of the outstanding principal and interest of the loan; and

(3) The Administration may advance any undisbursed proceeds of the Loan together with any additional sums required to complete and protect the Project.

C. Notwithstanding the terms of payment set forth in the Note, the Administration may declare the entire Loan immediately due and payable, together with accrued and unpaid interest thereon, without presentment, demand, protest, or notice, all of which the Sponsor expressly waives.

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 8 of 16

D. With respect to a monetary default, the provisions of the Note shall apply.

9. Closing Costs. In addition to any closing fee required by the Administration, the Sponsor shall pay all transfer taxes, documentary stamp taxes, real estate taxes, recording fees, and other charges if any, in connection with the execution and delivery of this Agreement and any of the other Loan Documents.

10. Remedies Cumulative. All remedies provided for in this Agreement are cumulative and shall be in addition to any and all other rights and remedies available to the Administration at law or in equity. The exercise of any right or remedy by the Administration shall not in any way constitute a cure or waiver of any default by the Sponsor, nor invalidate any act done pursuant to any notice of default, nor prejudice the Administration in the exercise of those rights.

11. Remedies Not Impaired. The failure of the Administration to insist upon performance of any term of this Agreement shall not be deemed to be a waiver of any term of this Agreement. No act of the Administration shall be construed as an election to proceed under any one provision in this Agreement to the exclusion of any other provision.

12. Indemnification. The Sponsor shall indemnify and hold harmless the Administration, its agents and employees from, and agrees that the Administration, its agents and employees shall not have any liability for, all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature, including reasonable attorneys' fees, incurred by, or asserted or imposed against, the Administration, its agents and employees, as a result of or in connection with the Project or the Loan, including but not limited to, hazardous material located or placed in the Project and any requirements imposed by any governmental authority with respect to hazardous materials. All money expended by the Administration as a result of such liabilities, suits, actions, claims, demands, losses, expenses or costs, together with interest at the rate provided in the Note from the date of such payment, shall constitute an additional indebtedness of the Sponsor to the Administration.

13. Amendments; Notices. All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosures, and consents of any kind made pursuant to this Agreement shall be in writing. Any such communication shall be deemed effective for all purposes as of the date such communication is hand delivered or mailed, postage prepaid, by certified mail, to be delivered only to the office of the addressee, addressed as follows:

A. Communications to the Administration shall be mailed to: CELP Manager, Maryland Energy Administration, 1623 Forest Drive, Suite 300, Annapolis, MD 21403.

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 9 of 16

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B. Communications to the Sponsor shall be mailed to:

Mr. Donald Porter, Vice Pres. For Institutional Advancements and Government
Relations

Harford County Community College

401 Thomas Run Road

Bel Air, MD 21015

F

Mr. John Scotten, Assistant Treasurer

Harford County Government

220 South Main Street

Bel Air, MD 21014

14. Time of Essence. Time is of the essence in this Agreement.

15. Amendments. This Agreement may not be changed or terminated orally, and no amendment or modification shall be effective unless in writing, executed by the Sponsor and the Administration.

16. Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, all of which shall constitute one and the said instrument.

17. Governing Laws. This Agreement is made, executed, and delivered in the State of Maryland and Maryland law shall govern its interpretation, performance, and enforcement.

18. Continuance of Agreement; Survival of Representations and Warranties. This Agreement shall continue in full force and effect until the Note shall have been paid in full. All representations and warranties contained herein or made in writing by or on behalf of the Sponsor involving the Loan shall survive the execution and delivery of this Agreement or any other Loan Documents, and any investigation at any time made by, through or on behalf of the Administration. All statements contained in any certificate, opinion or loan document delivered to the Administration on behalf of the Sponsor shall constitute representations and warranties hereunder.

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 10 of 16

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the day and year first hereinabove written.

WITNESS:

Harford County Government

By: _____

Name: James M. Harkin

Title: County Executive

WITNESS:

Harford County Community College

By: _____

Name: Dr. Claudia E. Chiesi

Title: President

WITNESS:

MARYLAND ENERGY ADMINISTRATION

By: _____

David W. Cronin
CELP Manager

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 11 of 16

EXHIBIT A

Description of the Project

The CELP proceeds will be used for purchase and installation of energy efficiency measures for lighting, HVAC, boiler, water use, green roofs, a campus-wide energy audit, energy conservation redesign and re-engineering, and commissioning for additions and renovations to Joppa Hall, .

CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 12 of 16

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EXHIBIT B

Special Conditions

(None)

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CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 13 of 16

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EXHIBIT C

Insurance Requirements

1. Comprehensive general liability self-insurance for both Sponsor and Contractor(s) in the form and for amounts acceptable to the Administration; Sponsor's policy to name the Administration as an additional insured. F
2. Fire and hazard insurance in the form and for the amounts acceptable to the Administration, naming the Administration as an additional insured and loss payee.
3. Worker's compensation insurance, broad form, all states coverage, covering all persons engaged in work on the Project, and upon completion of the Project, covering employees of the Sponsor A
4. Builder's risk insurance, in the form and for the amounts acceptable to the Administration, naming the Administration as an additional insured and loss payee.

Sponsor shall provide the Administration with thirty (30) days written notice prior to cancellation or non-renewal of the insurance. R

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CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 14 of 16

EXHIBIT D

Draw Schedule for Project

(to be completed by Sponsor and approved by the Program prior to Closing)

March 1, 2003 - 50%

June 1, 2003 - 25%

August 1, 2003 - 25%

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CELP Loan - Harford County Community College 11-02-51
Loan Agreement
Page 15 of 16

EXHIBIT E

Permitted Encumbrances

(not applicable)

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CELP Loan - Harford County Community College 11-02-51
 Loan Agreement
 Page 16 of 16

EXHIBIT F

Amortization Schedule

ORIGINAL PRINCIPAL 400,000.00
 INTEREST RATE 2.50%
 TERM IN YEARS 7
 PAYMENTS PER YEAR 2
 PAYMENT 31,322.06

PERIOD	PAYMENT	INTEREST	PRINCIPAL	BALANCE
1	31,322.06	5,000.00	26,322.06	373,677.94
2	31,322.06	4,670.97	26,651.08	347,026.86
3	31,322.06	4,337.84	26,984.22	320,042.63
4	31,322.06	4,000.53	27,321.53	292,721.11
5	31,322.06	3,659.01	27,663.04	265,058.06
6	31,322.06	3,313.23	28,008.83	237,049.23
7	31,322.06	2,963.12	28,358.94	208,690.29
8	31,322.06	2,608.63	28,713.43	179,976.86
9	31,322.06	2,249.71	29,072.35	150,904.51
10	31,322.06	1,886.31	29,435.75	121,468.76
11	31,322.06	1,518.36	29,803.70	91,665.06
12	31,322.06	1,145.81	30,176.25	61,488.81
13	31,322.06	768.61	30,553.45	30,935.37
14	31,322.06	386.69	30,935.37	(0.00)

Annual debt service: **\$62,664.12**

Estimated annual energy savings: **\$65,000.00**

First year deferred interest (\$10,000.00) to be paid with final payment. Final payment will be \$41,322.06

EXHIBIT B

CELP Application Code: 11-02-51

COMMUNITY ENERGY LOAN PROGRAM

Promissory Note\$400,000Annapolis, Maryland
January 31, 2003

FOR VALUE RECEIVED, The Harford County Government (the "Promisor"), promises to pay to the Maryland Energy Administration, an independent agency of the State of Maryland (the "Administration"), the principal sum of Four Hundred Thousand Dollars (\$400,000) (the "Loan"), or so much of that sum as may be advanced by the Administration under a certain Loan Agreement of even date (the "Loan Agreement") together with interest at the rate of 2.50% per annum (the "Interest Rate"), and all assessments, taxes, premiums, and servicing fees as follows:

A. Beginning on the first day of the thirteenth month following the date of this Note, and on the first day of each sixth month after that date, Promisor shall pay to the Administration principal and interest in semi-annual installments in accordance with the attached Amortization Schedule I with the first payment of Thirty-One Thousand, Three Hundred and Twenty-Two Dollars and Six cents (\$31,322.06), which installments when applied first to interest and then to the reduction of principal, shall amortize the entire principal debt by the date that is 7 years after the due date of the first payment (the "Maturity Date"). The Final Payment shall also include interest deferred from the first year in the amount of Ten Thousand Dollars (\$10,000.00).

B. If any installment of principal and interest or any other payment due under this Note is not paid within thirty (30) days from the date that the installment or payment is due, Promisor promises to pay the Administration a late charge equal to five percent (5%) of the aggregate monthly payment required by this Note.

C. The Promisor may prepay the then outstanding amount of this Note in whole or in part, on the first day of any calendar month, though any prepayment does not exempt the Sponsor from any and all liabilities under default of this Note, or the Loan Agreement. Any prepayment must include:

(i) interest accrued and unpaid on the principal balance of this Note to and including the date of prepayment; and

(ii) all other sums due under this Note.

CELP Loan - Harford County Community College 11-02-51
Promissory Note
Page 2 of 3

Any partial prepayment of the principal balance of this Note shall be applied to the installments of principal and interest last due under this Note and shall not release the Promisor from the obligation to pay the installments of principal and interest next becoming due under this Note.

D. Upon a failure to pay amounts due under this Note or failure to cure any other default as set forth in the Loan Agreement within the time period provided therein, the unpaid principal with interest shall at the option of the holder of this Note become immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise this option in the event of any subsequent default.

E. As to this Note, the Loan Agreement, and any other documents or instruments evidencing or securing the indebtedness (the "Loan Documents"), Promisor and all guarantors, if any, severally waive all applicable exemption rights whether under any state constitution, homestead laws or otherwise, and also severally waive valuation and appraisal, presentment, protest, and demand, notice of protest, demand and dishonor and nonpayment of this Note, and expressly agree that the maturity of this Note, or any payment under this Note, may be extended from time to time without in any way affecting the liability of Promisor and all guarantors.

F. If the principal amount of this Note is not paid when due or any installment of interest, principal, or the administrative fee, or any other payment due under this Note is not paid within thirty (30) days of the date when due, whether by maturity or acceleration, Promisor authorizes the clerk or any attorney of any court of record to appear for it and enter judgment by confession for the balance then due on this Note together with interest, court costs, and reasonable attorneys' fees.

G. All payments due under this Note shall be made during regular business hours at the principal office of the CELP Manager, Maryland Energy Administration, 1623 Forest Drive, Suite 300, Annapolis, Maryland 21403, or at any other place that the Administration may designate in writing, and may be made by check of the Promisor or in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

H. The Promisor represents and warrants that it is a non-profit entity located in the State of Maryland, and Promisor further represents and warrants that the Loan is made and transacted solely for the purpose of carrying out one or more essential purposes of the Promisor.

I. No official, employee or agent, partner or member of the Promisor assumes personal liability for payments and deposits due under paragraph A of this Note, except for

CELP Loan - Harford County Community College 11-02-51
Promissory Note
Page 3 of 3

funds or property of the Project financed by the loan coming into their hands which, by the provision of this Note, the Loan Agreement, or any of the Loan Documents, they are not entitled to retain.

IN WITNESS WHEREOF, Promisor has caused this Note to be executed and delivered on its behalf on the date first written above.

WITNESS:

Harford County Government

By: _____

Name: James M. Harkins

Title: County Executive

WITNESS:

Harford County Community College

By: _____

Name: Dr. Claudia E Chiesi

Title: President

R

D